

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
	)	
GWG Holdings, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 22-90032 (MI)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	

**STIPULATION AND AGREED ORDER REGARDING THE ORDER MODIFYING  
THE AUTOMATIC STAY AND AUTHORIZING USE OF ESTATE PROPERTY,  
TO THE EXTENT APPLICABLE, TO ALLOW PAYMENT, REIMBURSEMENT  
AND/OR ADVANCEMENT OF DEFENSE COSTS UNDER INSURANCE POLICIES**

GWG Holdings, Inc. (“GWGH”) and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), the Official Committee of Bondholders (the “Bondholders Committee”), and Willkie Farr & Gallagher, LLP (“Willkie Farr”) and, together with the Debtors and the Bondholders Committee, the “Parties”) hereby enter into this stipulation and order (this “Stipulation and Agreed Order”) as follows:

**Recitals**

WHEREAS, on April 20, 2022 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Court”);

WHEREAS, on July 26, 2022, the Debtors filed their *Motion for (I) Entry of an Order Modifying the Automatic Stay and Authorizing Use of Estate Property, to the Extent Applicable*,

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); and GWG Life USA, LLC (5538). The location of Debtor GWG Holdings, Inc.’s principal place of business and the Debtors’ service address is 325 N. St. Paul Street, Suite 2650 Dallas, TX 75201. Further information regarding the Debtors and these chapter 11 cases is available at the website of the Debtors’ claims and noticing agent: <https://donlinrecano.com/gwg>.

*to Allow Payment, Reimbursement, and/or Advancement of Defense Costs Under Insurance Policies and (II) Granting Related Relief* [Docket No. 639] (the “Insurance Motion”);

WHEREAS, following a contested hearing on the Insurance Motion, on September 7, 2022 the Court entered the *Order Modifying the Automatic Stay and Authorizing Use of Estate Property, to the Extent Applicable, to Allow Payment, Reimbursement and/or Advancement of Defense Costs Under Insurance Policies* [Docket No. 724] (the “Insurance Order”);<sup>2</sup>

WHEREAS, on September 12, 2022, in accordance with the Insurance Order, the applicable Insurance Carrier remitted \$4,072,629.10 (the “Insurer Remittance”) to the Debtors in full discharge of the obligations of such Insurance Carrier under the applicable Policies with respect to the SEC Investigation Prepetition Amount;

WHEREAS, pursuant to the Insurance Order, the Parties were directed to seek to negotiate and agree upon that portion of the SEC Investigation Prepetition Amount that constituted the Willkie Side A Amount and the KLDisccovery Side A Amount; and

WHEREAS, Willkie Farr and the Bondholders Committee, with the support of the Debtors, have agreed that (i) the Willkie Side A Amount is \$2,268,979.00, (ii) the Remaining Prepetition Willkie Amount is \$1,594,815.16, (iii) the KLDisccovery Side A Amount is \$86,512.94, and (iv) the Remaining KLDisccovery Prepetition Amount is \$122,322.00.

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Agreed Order, the Parties hereby stipulate and agree as follows:

1. The Debtors are authorized and directed to remit \$2,268,979.00 to Willkie Farr, which amount shall be applied in full and final satisfaction of the Willkie Side A Amount.

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings specified in the Insurance Order.

2. The Debtors are authorized and directed to remit \$1,594,815.16 to Willkie Farr, which amount Willkie Farr shall hold as a retainer for security against the nonpayment of postpetition fees and expenses incurred by Willkie Farr in its capacity as special counsel to the Debtors.

3. The Debtors are authorized and directed to remit \$86,512.94 to KLDisccovery, which amount shall be applied in full and final satisfaction of the KLDisccovery Side A Amount.

4. The Debtors shall retain the remaining \$122,322 balance of the Insurer Remittance in trust, which amount reflects the Initial KLDisccovery Prepetition Amount less the KLDisccovery Side A Amount, pending further order of the Court as set forth in the Insurance Order.

5. Except as explicitly provided herein, nothing in this Stipulation and Agreed Order affects or modifies any provision of the Insurance Order or any authorization provided thereunder.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

7. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Order.

Houston, Texas

Dated: \_\_\_\_\_, 2022

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MARVIN ISGUR  
UNITED STATES BANKRUPTCY JUDGE

Houston, Texas  
October 6, 2022

By: /s/ Kristhy M. Peguero

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